

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the joint application of)	
DTE ELECTRIC COMPANY and DTE GAS)	
COMPANY for authority to implement new estimated)	Case No. U-18177
bill procedures for the Customer 360 Billing System.)	
_____)	

At the March 28, 2017 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. Norman J. Saari, Commissioner
Hon. Rachael A. Eubanks, Commissioner

ORDER

On October 31, 2016, DTE Electric Company and DTE Gas Company (collectively, the DTE utilities) filed an application requesting *ex parte* approval of new estimated bill procedures under the rules governing Consumer Standards and Billing Practices for Electric and Gas Residential Service, Mich Admin Code, R 460.101 *et seq.*, and Billing Practices Applicable to Non-Residential Electric and Gas Customers, Mich Admin Code, R 460.1601 *et seq.*

Rule 460.102(s) states that:

“Estimated bill” means a bill for service at the premises that is not based on an actual meter reading for the period being billed but that is based on calculations of how much gas or electricity a customer used during the billing period.

Rule 460.113(2) states that:

A utility may estimate customer bills only upon a finding by the commission that a utility’s estimated bill procedures assure reasonable billing accuracy.

Any substantive changes to a utility's billing estimation procedures shall be submitted to the commission.

Similarly, Rule 460.1608 provides that:

Except as specified in this rule, a utility shall provide all non-residential customers with an actual monthly meter read. A bill that is rendered on an estimated basis shall be clearly and conspicuously identified as such. Estimated bills shall not be rendered unless estimating procedures have been approved by the commission.

In the application, the DTE utilities state they are in the process of implementing their Customer 360 project. Customer 360 is the implementation of SAP's customer relationship and billing system, an integrated software application that enables improved interface among customer service, billing, meter reading, credit and collections, device management, account management, and customer choice. It replaces multiple legacy systems. DTE utilities will switch from their existing customer service billing system and estimating routine to the Customer 360 system and estimating routine after the system's in-service date of April 3, 2017.

The Customer 360 bill estimation procedure, provided in the SAP Industry Specific Solution for Utilities Industry, uses basic estimation methods that consider historical consumption data to calculate estimated consumption. The SAP system has been configured to consider the same billing period in the prior year to be most representative, assuming that data is available covering that particular period for all kilowatt hour, thousand cubic feet, and hundred cubic feet meter registers. If data for the same period in the prior year is unavailable, the algorithm will use the prior month's billing data to calculate the estimates. In the event that no historical values are available, the estimate is based on an average of that month's actual consumption for the relevant rate class.

The DTE utilities have compared the Customer 360 bill estimation procedures with the existing bill estimation procedures and have determined that the results are reasonably accurate and assure reasonable billing estimate accuracy. Comparative meter reading results were provided with the DTE utilities' application.

The Commission Staff (Staff) has reviewed the application and exhibits submitted by the DTE utilities and recommends *ex parte* approval of the new estimated bill procedures. The Staff also recommends that the DTE utilities review estimated billing data and results with the Staff within six months of implementation of SAP. During that review, the Staff will determine if further information is necessary regarding estimated billing. The Staff also recommends that the DTE utilities should be encouraged to examine ways to improve the accuracy of the stock SAP estimation procedure. Before implementing such improvements, however, the DTE utilities should be required to meet with the Staff to avoid problems similar to those uncovered in the investigation of Consumers Energy Company in Case No. U-18002.

The Commission has reviewed the DTE utilities' joint application and exhibits as well as the Staff's recommendation for approval. The Commission agrees with the Staff's recommendations, finds the new estimated bill procedures reasonable and in the public interest, and concludes that they should be approved. The DTE utilities are to review the estimated billing data and results with the Staff within six months of implementation of SAP. Because implementation of the new estimated bill procedures described in the application will not increase the rates or charges for any customers or increase the cost of natural gas or electricity used by DTE utilities' customers, *ex parte* approval is appropriate.

THEREFORE, IT IS ORDERED that:

A. The new Customer 360 estimated bill procedures described in the application and attachments of DTE Electric Company and DTE Gas Company are approved and effective immediately upon implementation of the Customer 360 project.

B. Within thirty days of the date of this order, DTE Electric Company and DTE Gas Company shall file tariff sheets substantially similar to those attached hereto as Attachments A and B.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so by the filing of a claim of appeal in the Michigan Court of Appeals within 30 days of the issuance of this order, under MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of the Attorney General - Public Service Division at pungp1@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

Norman J. Saari, Commissioner

Rachael A. Eubanks, Commissioner

By its action of March 28, 2017.

Kavita Kale, Executive Secretary

M.P.S.C. No. 1 - Electric

DTE Electric Company

(To implement new estimated billing routine)

____ Revised Sheet No. C-18.00
Cancels First Revised Sheet No. C-18.00

C4 APPLICATION OF RATES (Contd.)**C4.4 Choice of Rates (Contd.)**

After the customer has selected the rate under which he elects to take service, the customer is not permitted to change from that rate to another until twelve months have elapsed. Neither will a customer be permitted to evade this rule by the device of temporarily terminating the customer's service.

However, the Company may, at its option, waive this rule where it appears that an earlier change is requested for permanent rather than for temporary or seasonal advantage. The intent of this rule is to prohibit frequent shifts from rate to rate. As used in this rule, the word rate shall include applicable riders.

C4.5 Billing for Service and Estimated Bills**A. Billing Frequency; Method of Delivery**

- (1) The Company shall transmit a bill once during each billing month to Residential Rate customers D1 **and** D2 in accordance with the approved daily rate schedules. The Company shall transmit a bill to customers by mail unless the Company and the customer agree in writing to another method of delivery.
- (2) The Company shall transmit a bill once during each billing month to all other customers in accordance with the approved monthly rate schedules. The Company shall transmit a bill to customers by mail unless the Company and the customer agree in writing to another method of delivery.

B Meter Reads

The Company shall schedule meters to be read on approximately a monthly basis and will attempt to read meters in accordance with such schedule. When the Company is unable to obtain an actual meter reading for any reason, the bill shall be estimated. Prior period(s) estimated bill(s) shall be adjusted as necessary when an actual meter reading is obtained.

C. Estimated Bills

When the company is unable to obtain an actual meter reading, the bill shall be estimated on the basis of past service records, adjusted, as may be appropriate. Where past service records are not available or suitable for use, such billing shall be based upon whatever other service data are available. Each such account shall be adjusted as necessary each time an actual meter reading is obtained.

Estimated bills shall have the same force and effect as those based upon actual meter readings.

C4.6 Payment for Service and Insufficient Funds

- A The Company shall permit each customer a period of not less than 21 days from the date the bill was transmitted to pay in full, unless the customer agrees in writing to a different period.
- B The customer may pay in any reasonable manner, including by personal check or by credit or debit card. Payment by personal check, credit or debit card is not reasonable if the customer has paid with a personal check, credit or debit card within the last 12 months and at least 1 check has been returned for insufficient funds or no account, or at least 1 credit or debit card payment has been denied excluding financial institution error.

Issued _____
D. M. Stanczak
Vice President
Regulatory Affairs
Detroit, Michigan

Effective for service rendered on
and after April 3, 2017

Issued under authority of the
Michigan Public Service Commission
dated _____
in Case No. U-18177